

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 21-0158

DIRECT TESTIMONY

OF

KRISTOL W. SIMMS

Submitted On Behalf

Of

**AMEREN ILLINOIS COMPANY
d/b/a Ameren Illinois**

March 1, 2021

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I. INTRODUCTION AND QUALIFICATIONS

Q. Please state your name and your business address.

A. My name is Kristol W. Simms. My business address is 10 Executive Drive, Collinsville, Illinois 62234.

Q. By whom are you employed and in what capacity?

A. I am employed by Ameren Illinois Company ("AIC," the "Company," or "Ameren Illinois") as its Director of Energy Efficiency, Strategy & Innovation.

Q. What are your current responsibilities as a Director of Energy Efficiency, Strategy & Innovation?

A. I am responsible for energy efficiency operations, energy efficiency accounting and the development and implementation of the Company's energy efficiency portfolio of initiatives, programs and activities. In this role, I am also responsible for strategy as it relates to overall portfolio management, stakeholder engagement and Illinois Commerce Commission ("Commission") energy efficiency dockets, as well as the identification, and development of innovative ways to engage those in the Ameren Illinois service territory and provide meaningful opportunities to save energy.

24 **Q. Please describe your educational background and relevant work experience.**

25 A. See my Statement of Qualifications, attached as an Appendix to this testimony.

26 **II. PURPOSE AND SCOPE**

27 **Q. Please describe the purpose of your direct testimony in this proceeding?**

28 A. The purpose of my testimony is to explain and support the approval of AIC's proposed
29 energy efficiency and demand response plan for the four year period commencing on January 1,
30 2022 (the "2022 Plan"), which reflects input from the Staff of the Illinois Commerce
31 Commission ("Commission Staff") as well as various other non-financially interested
32 stakeholders, and which is filed with the Commission pursuant to Section 8-103B and Section 8-
33 104 of the Act, as Ameren Exhibit 1.1. AIC and various non-financially interested stakeholders,
34 including Commission Staff, collaborated to reach a Stipulation and Settlement Agreement that
35 enhances the 2022 Plan.

36 I organized my testimony by, first, introducing the other Ameren Illinois witnesses who
37 have filed direct testimony and exhibits in support of the 2022 Plan. Second, I provide an
38 overview of the 2022 Plan and sponsor, explain and support the approval of the 2022 Plan. I also
39 provide an overview of the Stipulation and Settlement Agreement and explain how the 2022 Plan
40 incorporates the terms and conditions of the Stipulation and Settlement Agreement. Finally, I
41 outline the requests that Ameren Illinois respectfully submits be approved by the Commission in
42 this proceeding.

43 **Q. Are you sponsoring any exhibits in support of your testimony?**

44 A. Yes. Ameren Exhibit 1.1 comprises the 2022 Plan, which includes the various
45 Appendices, which includes a Stipulation and Settlement Agreement reached with Commission
46 Staff, and various non-financially interested stakeholders regarding the 2022 Plan.

Q. Can you please summarize the recommendations you have with respect to the 2022 Plan?

Yes, for the reasons explained below, I recommend that the Commission:

- Approve the 2022 Plan, as reflected in Ameren Exhibit 1.1, which includes:
 - The proposed budgets and modified energy savings goals;
 - The proposed Residential Program, which reflects a significant investment in serving low- and moderate-income communities through its Income Qualified Initiative;
 - The proposed Business Program, which reflects a shift to delivery of HVAC measures through a midstream program model and a strong focus on small business programs;
 - A continued use of the Breakthrough Equipment and Device (“BED”) budget including an average annual \$3.2 million of the electric BED budget to Ameren Illinois' Market Development Initiative, which will continue efforts and activities aimed at delivering energy efficiency education and projects to unserved or underserved customers and growing a diverse energy efficiency workforce and diverse supplier network in Illinois;
 - Approve the Stipulation, which has been incorporated into the 2022 Plan as Appendix J;
 - Confirm the application and incorporation of version 9.0 of the Illinois Technical Reference Manual (“IL-TRM”) and version 2.0 of the Illinois Energy Efficiency Policy Manual (“EE Policy Manual”) into the 2022 Plan;
 - Approve Ameren Illinois’ proposal for compliance with subsections of the Act related to demand response and third-party energy efficiency programs applicable for implementation beginning January 1, 2022 through December 31, 2025;
 - Approve Ameren Illinois’ proposed program Evaluation, Measurement & Verification (“EM&V”) as identified in the 2022 Plan; and
 - Approve the continued use of Ameren Illinois' current energy efficiency cost-recovery tariffs on file with the Commission, including Rider EE, Rider APM

and Rider GER, and the related process to update inputs to those tariffs, as appropriate.

III. INTRODUCTION OF THE AMEREN ILLINOIS WITNESSES

Q. Please introduce and summarize the other testimony of the Ameren Illinois witnesses who have filed direct testimony and exhibits in support of the approval of the 2022 Plan.

A. In addition to my testimony, a summary of the witnesses' testimony and exhibits follows:

Ameren Exhibits 2.0-2.5: Testimony and exhibits of Mr. Andrew Abendroth, Ameren Illinois. Mr. Abendroth addresses the calculation of the budgets and energy savings goals provided for in the Act, accounting for the customers who are exempted from the provisions of Section 8-103B and excluded and exempted from the provisions of Section 8-104. Mr. Abendroth also addresses calculation of public sector and public housing spending under Section 8-103B, low-income qualified budget under Section 8-104(f)(3). Mr. Abendroth also sponsors and supports Rider EE - Energy Efficiency and Demand Response Investment ("Rider EE"), which constitutes the electric energy efficiency cost recovery mechanism pursuant to Section 8-103B(d) and (g)(5), Rider APM - Annual Performance Modifier ("Rider APM"), which constitutes the tariff mechanism that provides for adjustments to the return on equity component described in Section 8-103B(g)(8) and (9), as well as Rider GER-Gas Energy Efficiency Cost Recovery ("Rider GER"), which constitutes the gas energy efficiency cost recovery mechanism pursuant to Section 8-104(f).

Ameren Exhibit 3.0: Testimony and exhibits of Mr. Andrew Cottrell, Applied Energy Group ("AEG"). Mr. Cottrell addresses the development and structure of the 2022 Plan from the highest portfolio-level down to the program, initiative and measure-level details.

Mr. Cottrell explains the modeling process and inputs used to develop the 2022 Plan, including how the Ben-Cost Model ensures the proper application of the EE Policy Manual, Version 2.0, the Illinois Technical Reference Manual ("IL-TRM"), Version 9.0, the applicable net to gross ratios ("NTGRs"), applicable regulatory and legislative requirements and addresses the feasibility of Ameren Illinois achieving the energy savings goals set forth in the Act in light of the budget set forth in Section 8-103B(m) and Section 8-104(d), taking into consideration the results of the most recent potential study conducted for the Ameren Illinois service territory, as adjusted for the customers exempt from participating in electric and gas energy efficiency programs under Section 8-103B and Section 8-104. Mr. Cottrell also provides his opinion on the reasonableness of Ameren Illinois' proposed modified energy savings goals, which have also been reviewed, agreed to and supported by ICC Staff and various non-financially interested stakeholders.

Ameren Exhibits 4.0-4.2: Testimony and exhibits of Mr. Steve Martin, Ameren Illinois.

Mr. Martin explains and supports the proposed formula under Rider EE that calculates Ameren Illinois' EE revenue requirement that will be used to set rates starting January 2022, pursuant to a separate formula rate update docket process.

IV. THE 2022 PLAN

A. Energy Efficiency Standards Set Forth in the Act

Q. Please explain your background and involvement with Ameren Illinois' compliance with the energy efficiency and demand response standards set forth in the Act.

A. I have been directly involved in the development, review and approval of Ameren Illinois' energy efficiency and demand response plans since Ameren Illinois implemented its first four year plan under the Future Energy Jobs Act ("FEJA") in 2018. I have been directly

involved with the Illinois Energy Efficiency Stakeholder Advisory Group (the “SAG”) since 2014, and was part of the group that established the revisions to statewide policy on a variety of EE matters that have been memorialized in the various versions of the EE Policy Manual and IL-TRM. I also have a supporting team of experts within Ameren Illinois that has substantial experience in developing, implementing and managing energy efficiency programs in Illinois, as well as established relationships with national and local energy efficiency experts, consultants, and contractors.

Q. Are you familiar with the provisions of Section 8-103B and Section 8-104 of the Act?

A. Yes. While I am not providing counsel as a lawyer in this docket, and therefore I am not offering any legal opinions, I have worked on the Company’s behalf to implement and comply with Section 8-103B, which contains the electric energy efficiency standards applicable to the 2022 Plan and beyond. I have also worked on the Company’s behalf to implement and comply with Section 8-104, which contains the gas energy efficiency standards.

Q. What is your understanding of why Ameren Illinois must comply with both the electric and the gas energy efficiency standards?

A. Ameren Illinois has the unique privilege of serving approximately 1.2 million electric customers with approximately 684,000 of these customers also receiving gas service from Ameren Illinois (*i.e.*, dual-fuel customers). In addition, Ameren Illinois delivers natural gas to approximately 816,000 gas customers, with approximately 130,000 of these customers receiving electric delivery service from an entity other than Ameren Illinois. While I do not provide legal opinions in this docket, I understand the Company's status to be the only dual-fuel public utility in Illinois subject to the savings standards set forth in both Sections 8-103B and 8-104 of the Act.

Q. Does the 2022 Plan seek to achieve both electric and gas savings in accordance with both Sections 8-103B and 8-104?

A. Yes, the 2022 Plan sets forth a variety of dual-fuel programs and measures that seek to achieve both types of savings, while still prioritizing and meeting the other goals of the Act, including focusing on delivering long-term savings to customer segments that include moderate and low-income customers and communities in need. This approach allows Ameren Illinois to continue offering innovative programs to customers of all rate classes, with further focused efforts to reach customers that may have been previously unserved or underserved.

Q. The 2022 Plan also proposes energy efficiency and demand response goals. Please describe Ameren Illinois' commitment to energy efficiency and demand response.

A. Since 2007, Ameren Illinois has been dedicated to providing opportunities to save energy throughout its service territory. In fact, Ameren Illinois took the initiative to integrate a gas energy efficiency portfolio during the first three years of its electric portfolio. Over the years, and most recently when developing the 2022 Plan, the Company welcomed the opportunity to collaboratively work with stakeholders, including the Commission Staff, the Low Income Advisory Council for Ameren Illinois' service territory ("LIAC"), the Office of the Attorney General of the State of Illinois, the Environmental Law and Policy Center, the Natural Resources Development Council, Citizen Utility Board, Community Organizing and Family Issues by its attorney the National Consumer Law Center and other interested groups like the Green Power Alliance, Aces 4 Youth, as well as other utilities, to further the development and implementation of energy efficiency in Illinois.

Through Ameren Illinois' commitment to the SAG process, the Company has over the last six and a half years participated in dozens of meetings each year, which required thousands

hours of work by SAG participants each year, over time, not including travel or preparation time. These meetings have produced meaningful results, including consensus on the 2022 Plan submitted for approval. The Company affirms its commitment to a collaborative, SAG process, though Ameren Illinois acknowledges the increased administrative expense associated with doing so and recognizes that the process can continue to be improved. Ameren Illinois will continue working with the SAG and on process improvements through the SAG facilitation team during implementation of the 2022 Plan.

B. Prior Energy Efficiency Plans

Q. Has the Commission approved Ameren Illinois' energy efficiency and demand response plans in the past?

A. Yes. The Commission reviewed Ameren Illinois' previous energy efficiency and demand response plans in ICC Docket Nos. 07-0539 (Plan 1 – Electric); 08-0104 (Plan 1 – Gas); 10-0568 (Plan 2 – integrated Electric and Gas); 13-0498 (Plan 3 – integrated Electric and Gas); 16-0413 (Plan 4 – integrated Electric and Gas); and 17-0311 (the 2018 Plan– integrated Electric and Gas). In each docket, the Commission approved Ameren Illinois' plan for implementation, at times with modifications and subject to compliance filings.

Q. When did the Commission last approve an energy efficiency plan for the Ameren Illinois service territory?

A. The Commission approved Ameren Illinois' 2018 Plan in ICC Docket No. 17-0311 in September 2017.

Q. Was the Commission-approved 2018 Plan considered in the development of the 2022 Plan currently being presented for Commission approval?

A. Yes, as explained by Ameren Illinois witness Mr. Andrew Cottrell, prior plans were reviewed, analyzed and considered when developing the 2022 Plan. The plan was approved by

the Commission, and it reflects important data points from Ameren Illinois' service territory, so it provided useful information in developing the 2022 Plan so that it could build upon the successes of the 2018 plan.

C. The Planning Process

Q. Can you please explain the planning process Ameren Illinois used in the development of the 2022 Plan?

A. While Mr. Cottrell explains the technical process of developing a model of measures, costs, and savings, I can explain the process from the business and policy perspective. Ameren Illinois assembled a team of industry and company experts with a focus to develop a plan that leveraged best practices from the industry while accurately modeling savings and costs using the IL-TRM. The team also used and incorporated the EE Policy Manual as an important reference and guiding framework. Finally, the team considered requirements of the Section 8-103B and Section 8-104, as modified by FEJA, with specific attention given to cumulative persistent annual savings ("CPAS") designed to assist the Company in its efforts to meet the 2030 CPAS goals set forth in the law, creating positive community impact by designing programs accessible to low and moderate-income customers and communities in need, and amplifying other benefits to customers from the portfolio, like environmental impacts, to ensure customers understand the overall positive impact of energy efficiency. The team also included experienced members of the Ameren Illinois Energy Efficiency team and contractors experienced in the energy efficiency industry. Finally, the team considered key portfolio objectives and the unique circumstances of the Ameren Illinois service territory.

Q. Did Ameren Illinois engage any stakeholders in the developmental process?

A. Yes, Ameren Illinois also participated in a collaborative process led by the SAG facilitation team, and also worked with the LIAC that was convened after the passage of FEJA.

During this stakeholder engagement process, the SAG participants, including the utilities, exchanged ideas and discussed several different priorities, and options with respect to program inclusion. This process allowed for parties to provide input and ask questions about a variety of topics. As part of this process, Ameren Illinois also shared information and analysis to non-financially interested parties, subject to a Non-Disclosure Agreement, and met regularly with these parties to exchange information and recommendations regarding requirements of FEJA, portfolio objectives, program design, budget allocations, and savings. The thoughtful discussions and information sharing between parties resulted in several plan iterations, with parties ultimately reaching agreement on a plan through stipulated agreement.

Q. Can you further explain the engagement of stakeholders through the LIAC?

A. Ameren Illinois solicited feedback from Community Based Organizations ("CBOs") and Community Action Agencies ("CAAs") through a series of focus group meetings facilitated by the LIAC facilitation team. In total, the focus group had 38 CBO/CAA participants representing 19 CBOs/CAAs from broad geographic areas and a diverse customer base. Focus group format involved briefly introducing a program concept, followed by soliciting comments from focus group participants. Upon completion of focus group events, the facilitation team hosted a joint meeting with SAG participants, Ameren Illinois representatives and CBOs/CAAs where CBOs/CAAs presented key feedback on topics identified through the focus groups, allowing Ameren Illinois to respond.

Q. Did Ameren Illinois find engagement of CBO's and CAA's through the LIAC useful for development of the plan?

A. Yes, the format resulted in active engaged participation and detailed, thoughtful input on a variety of concepts focused on income qualified communities. For all topics raised by

CBOs/CAAs during the joint meeting, Ameren Illinois' response included: 1) the topic had been addressed in a way that aligned with CBO/CAA input in its current portfolio, 2) the topic would be addressed through the LIAC in 2021 or 3) the concept would be incorporated into the 2022 plan with a commitment to work with the LIAC to gain input on further refinement.

Q. In addition to the SAG meetings, did the Company engage in any discussions with any stakeholders with respect to the development of the 2022 Plan?

A. Yes. As part of a SAG-facilitated planning process, the Company also engaged with non-financially interested stakeholders, along with new participants in a long and robust negotiation process that was held over a series of months leading up to this filing.

Q. Without going into any specifics of that negotiation, can you please explain whether the negotiation process resulted in a stipulated agreement?

A. Through the hard work, extensive analysis and arms-length negotiation, the negotiating parties did reach a Settlement Stipulation and Agreement ("Stipulation"). It took several rounds of proposals, questions, dedication and collaborative negotiations by all participants to result in the fair and supported Stipulation being presented in this docket for approval as part of the 2022 Plan, as reflected in Ameren Exhibit 1.1, Appendix J. The Stipulation's provisions are incorporated and reflected in the 2022 Plan, as agreed to by the Parties who signed the Stipulation. I would note that the Stipulation should be approved as part of the entire package as it reflects the considerable efforts of the Company and non-financially interested stakeholders on a variety of intertwined issues. If the Commission rejects some part of the Plan or the stipulation, then the Company would need to refile an updated plan for approval in this docket.

Q. Did Ameren Illinois find the SAG development and LIAC processes useful during plan development?

A. Yes. The collaborative process took a significant amount of time and effort, but the exchange of ideas was useful in the final development of the 2022 Plan, as the provisions of the Stipulation were incorporated into the 2022 Plan. The Company's involvement in the LIAC was especially useful as this committee convened a large number of groups and parties that have not traditionally presented the Company or the Commission with their perspectives on utility-delivery of energy efficiency programs to some of the States' neediest communities. The Company appreciates all the time, effort and dedication by all participating parties.

D. Summary of the 2022 Plan Objectives and Components

Q. Please provide the high-level objectives of the 2022 Plan.

A. At its highest level, the 2022 Plan objectives are aimed at: 1) Achieving persisting savings to advance the Company's efforts to meet the 2030 CPAS goals set forth in the law; 2) continued focus on using the energy efficiency investments in a way that has a positive community impact; and 3) amplifying other benefits to customers, like environmental impacts, achieved in tandem with energy efficiency. The Company also will continue to build on the successes of its Market Development Initiative, as more fully explained below.

Q. Does the 2022 Plan reflect additional considerations and objectives as well?

A. Yes. The Company also considered the following objectives when designing the portfolio of programs:

- Focus on including measures with measure lives extending at least to 2030 in order to improve the Company's performance toward the 2030 CPAS target from the Act.

- Discontinue or scaling back measures with low persisting or high levels of expiring savings;
- Incorporating efforts that allow the portfolio to contribute positive impacts for communities in Central and Southern Illinois, with innovative low-income and public sector initiatives. As well as market transformation initiatives, in furtherance of statutory savings requirements;
- Leverage current programs and expanding successful implementation activities while maintaining program delivery momentum;
- Maintain a diverse portfolio of initiatives under the residential and business programs serving all customer classes with a focus on transforming methods of delivering energy efficiency programs to underserved residential low- and moderate- income communities;
- Increase efforts to use diverse suppliers and assist economically challenged communities to increase participation in receiving and delivering energy efficiency offerings; and
- Provide for an appropriate level of flexibility to manage the risks and uncertainties of the market and the unique circumstances of the Ameren Illinois service territory.

Q. Were there any other objectives and principles that will guide the 2022 Plan?

A. Yes, Ameren Illinois incorporated the EE Policy Manual, Version 2.0 into the 2022 Plan, and in accordance with Section 4.1 of the EE Policy Manual Version 2.0 the 2022 Plan is designed to accomplish the following objectives:

- Delivery of an overall Cost-Effective Portfolio of Energy Efficiency and Demand Response Measures using the Total Resource Cost Test;
- Achievement of statutory objectives and Commission-approved savings goals;
- Delivery of Programs that represent a diverse cross-section of opportunities for non-exempt customers of all rate classes to participate in the Programs;
- On a prospective basis, Portfolios should have a TRC greater than 1.0;

- Delivery of Programs targeted toward Low Income Customers, which do not have to be Cost-Effective; and
- Evaluation of Programs using consistent evaluation criteria.

Q. Does the Policy Manual provide for other considerations when developing and implementing the 2022 Plan?

A. Yes, among other provisions, Section 4.1 also provides that portfolios “shall also consider” the following objectives, where appropriate:

- Develop, implement and deliver Programs to moderate to low income populations, disadvantaged communities and/or underserved communities in order to help foster the affordability of utility service for all utility customers and engagement in the Energy Efficiency workforce, when practicable;
- Program designs and strategies that Cost-Effectively increase savings and lower the unit cost of achieved savings, while still ensuring efforts to capture Comprehensive Efficiency;
- Pursuit of alternate delivery mechanisms, such as upstream or midstream Incentives and promotion strategies when these processes can effectively reduce Program Administrator costs per unit of savings;
- Develop, support and grow a diverse and inclusive Energy Efficiency workforce through, among other activities, encouraging participation by and engaging with women-owned, minority-owned, and veteran-owned businesses throughout the State;
- Consistent with Section 8-103B, contract for implementation of Energy Efficiency Measures and Programs targeted at low-income households, when practicable, to independent third parties that have demonstrated capabilities to serve such households, with a preference for not-for-profit entities and government agencies that have existing relationships with or experience serving low-income communities in the State;
- Best Practices and innovative approaches in the design and implementation of Energy Efficiency Plans;

- Net savings forecasted; and
- Program Administrator (ratepayer) costs per unit of net savings achieved.

Q. Has the Company taken any steps to get close to meeting the 16.5% CPAS goal set forth in subsection 8-103B(b-15), as modified by subsection (b-20) of that Section, by the end of calendar year 2030?

A. Yes, as reflected in the Stipulation and in my testimony, these steps include, but are not limited to:

- developing and implementing programs that are designed to achieve additional incremental annual savings that persist for time periods that align with Section 8-103B(b-15);
- identifying and meeting portfolio goals that align with the Act and EE Policy Manual, balancing the achievement of incremental persisting savings with responding to the evolving market and changing customer circumstances;
- developing markets and delivering programs that unlock previously unachieved savings from customers and communities that may have previously not participated or under-participated in energy efficiency; and
- maintaining flexibility to adjust for both seen and unforeseen market changes so that customers continue their journey towards reducing energy waste and achieving energy savings.

Q. How do all of these objectives and considerations get reflected in the 2022 Plan?

A. These objectives and considerations permeate throughout the 2022 Plan, and manifest themselves in particular programs or initiatives. The result is that the 2022 Plan will offer a robust portfolio of electric and natural gas energy efficiency measures, as well as voltage optimization measures, to a diverse cross-section of the Company's non-exempt customers that will achieve energy savings and also reduce peak demand. The 2022 Plan will do this while also investing substantially in the low-income sector and meeting the requirements, objectives and

goals of the Act, including keeping within plan budgetary provisions set forth in the Act. Finally, the 2022 Plan will also invest in new technologies and delivery mechanisms while continuing to focus on increasing the diversity of suppliers and vendors. This approach aims to reduce implementation costs and continue the commitment of Ameren Illinois to provide best in class energy efficiency programs.

Q. Can you please explain the components of the 2022 Plan?

A. Yes, the 2022 Plan contains the following sections which, conform to the requirements of Section 8-103B and Section 8-104. An executive summary is provided in Section 1.0. Section 2.0 describes key features and organization of the plan. Section 3.0 provides a detailed discussion of the plan development process, how the plan complies with the requirements of the Act, and includes the opportunities and challenges of meeting those requirements. Section 4.0 explains the proposed EM&V framework in accordance with Section 7 of the EE Policy Manual. Section 5.0 describes how both the electric and gas energy efficiency and demand response costs will continue to be recovered through the cost recovery mechanisms on file with the Commission. Finally, the Plan appendices provides technical information, including the plan program details, which may be found in Appendix H, and the Stipulation, which may be found in Appendix J.

E. 2022 Plan Proposed Budgets and Savings Goals

Q. What are the planning budgets for the electric and gas portfolios?

A. The annual electric planning budget for the four year period beginning in 2022 is \$106,322,431 with a four year total of \$425,289,724. The gas planning budget four year total is \$66,054,552 by adding the annual budget in 2022 of \$16,295,291; \$16,433,133 in 2023; \$16,624,870 in 2024; and \$16,701,258 in 2025. The planning budgets for the electric and gas portfolios are provided as appendices to the Plan with the electric budget included under

Appendix A and the gas budget included under Appendix D. In his testimony, Mr. Abendroth presents the analysis and calculation of both the electric and gas plan budgets for each year of the four years of the 2022 Plan. These plan budget amounts are also reflected in the Stipulation and supported by the parties to the Stipulation.

Q. What are the energy savings goals set forth in the Plan?

A. As established by the testimony and exhibits filed in support of the 2022 Plan, and reflected in the provisions of the Stipulation, it is highly unlikely for Ameren Illinois to meet the unmodified electric and natural gas savings goals as outlined in the statute for calendar years 2022-2025 within the planning budgets set by the Act. Ameren Illinois therefore asks the Commission to approve the 2022 Plan with the following modified annual electric and gas savings goals,¹ as presented by Mr. Cottrell and reflected in the Stipulation:

Table 1: Modified Electric CPAS Goals

Goal	2022	2023	2024	2025
CPAS Goal (MWh)	2,803,967	3,053,843	3,306,523	3,556,399

Table 2: Modified Gas Goals

Goal	2022	2023	2024	2025	4 Year Total
Gas Goal (Therms)	3,528,479	3,627,670	3,705,421	3,775,709	14,637,280

¹ When I use the term “unmodified” savings goals, I mean the unmodified savings goals set forth in Section 8-103B(b-15). The “modified” savings goals are the proposed savings goals, modified in accordance with the budget provisions set forth in the Act. While I am not offering a legal opinion, I understand that those budget provisions are set forth in Section 8-103B(m) (electric) and Section 8-104(d) (gas).

Q. Will the electric planning budget and electric savings goals need to be updated at a later time?

A. Yes, both will need to be updated to reflect the final Exempt Customer list that will not be known until the conclusion of calendar year 2021.

Q. How does Ameren Illinois propose to update the electric budgets and savings goals once the final Exempt Customer list is known?

A. The Exempt Customer list will not be known until after the close of the 2021 calendar year, while the 2022 Plan must be approved before September 2021. The current list of Exempt Customers is based on demand data through November of 2020. If additional customers are added to the list during 2021, then goals and budgets will change to reflect the new list. If the budget is reduced, adjustments to programs and non-program budgets (other than the IQ initiative budget) will be adjusted to account for the change.

Q. How does the Company propose to file any updates to the budgets, unmodified savings goals and modified savings goals?

A. With respect to the final Exempt Customer list, the Company seeks approval in this proceeding to make a compliance filing within 60 days of the conclusion of calendar year 2021, updating the appropriate Appendices to the Plan. This update will simply reflect the application of the final Exempt Customer list to the calculations set forth in Mr. Abendroth's testimony and exhibits, as well as the Plan appendices.

F. The 2022 Plan's Portfolio of Integrated Gas and Electric Programs

1. Overview of the Programs

Q. Please explain how the Company has integrated the gas and electric programs.

A. As more fully explained by Ameren Illinois witness Mr. Andrew Cottrell, the 2022 Plan includes integrated natural gas and electric efficiency measures into single programs, when

possible, as required by the Act.² In addition to the Act’s requirements, offering integrated programs benefits Ameren Illinois customers although it creates some challenges regarding budget allocations between fuels. Energy savings achieved for both fuels are “combined” when determining the cost effectiveness of measures under the TRC test, which is used to assess cost effectiveness at the planning stage. Mr. Cottrell provides additional detail on the use of an integrated portfolio to serve customers’ needs.

Q. How are the programs grouped in the 2022 Plan?

A. Ameren Illinois designed its 2022 Plan to comply with the electric and gas energy efficiency requirements while assisting both residential and non-residential customers in reducing their electric and gas energy usage through the initiatives outlined in the residential and business programs.

Q. What are the proposed residential program initiatives?

A. The proposed residential program is comprised of the following initiatives, which are more fully explained in Appendix H of the 2022 Plan:

Table 3: Residential Program Initiatives

Initiative	Description
Income Qualified	Through partnership with community action agencies and other contractors, assists low- and moderate-income customers in managing their energy consumption through comprehensive home weatherization services. Community-based outreach will be coordinated across single family and multifamily market segments to capitalize on synergies that enhance the overall effort while enabling community leaders to seamlessly promote participation. The focus of this initiative will be to deliver deep and meaningful changes to the energy use of a home, both in terms of quality of living and energy savings.

² The Act specifies that a gas utility affiliated with an electric utility shall integrate gas and electric efficiency measures into a single program that reduces program or participant cost and appropriately allocates costs to gas and electric ratepayers. 220 ILCS 5/8-104(f)(6).

Public Housing	Targets public sector housing owned by government entities including federal, state and municipal housing authorities.
Market Rate Single Family	Includes a home weatherization channel for single family customers that do not qualify for the Income Qualified Initiative. The Home Efficiency channel works with residential customers to engage each with registered program allies to offer available measures. Partners with equipment distributors to encourage stocking and promotion of high efficiency equipment such as Central Air Conditioning, Air Source Heat Pump, Heat Pump Water Heater, and Ductless Heat Pump equipment. Contractors purchasing their equipment from distribution partners receive instant discounts on qualifying equipment.
Market Rate Multifamily	The Market Rate Multifamily Initiative achieves electric and natural gas energy savings in multifamily buildings that do not qualify under the criteria for the Income Qualified Initiative. Property owners, managers, and tenants can still qualify for similar services, including the direct installation of free low-cost energy saving measures in individual living units and common areas.
Retail Products	Makes incentives available to customers through instant discounts and/or mail-in cash rebates to encourage adoption of high efficiency products, including lighting, home appliances, thermostats, etc. The efficient choice tool provides residential customers with an unbiased information resource that helps to drive energy efficient purchases on household electronics and appliances, from freezers and refrigerators, to air purifiers, televisions, and tablets.
Direct Distribution Efficient Products	Provides energy education and a "take home" kit to students in an effective way to influence families' energy behaviors. Initiative targets students and schools located within low and moderate income zip codes.
Residential Market Transformation	Ameren will partner with other IL utilities to promote the ENERGY STAR Retail Products Platform throughout its service area and via other Retail Products channels already offered as part of the Residential Program.

445 **Q. What are the proposed business program initiatives?**

446 A. The proposed business program, which provides incentives and services to both private
447 and public sector customers, includes the following initiatives, which are more fully explained in
448 the Appendix H of the 2022 Plan:

Table 4: Business Program Initiatives

Initiative	Description
Standard	Incentivizes customers to purchase energy efficient products.
Small Business	Incentivize customers to install energy efficient products and perform energy saving retrofits.
Custom	Applies to measures in compressed air, lighting, HVAC, refrigeration, motors/drives, waste/water treatment, and process upgrades that do not fall into the Standard or Streetlighting Initiatives. Complex and large-scale new construction and building renovation projects also qualify under the Custom Initiative.
Retro-Commissioning (RCx)	The primary goal of the Retro-commissioning Initiative is the identification and implementation of no cost/low cost (zero- to one-year payback) energy efficiency measures which will optimize the operation of existing systems for building automation, compressed air, industrial ventilation, industrial refrigeration, and healthcare-related systems.
Midstream	Recruits distributors and wholesalers of lighting, HVAC and commercial kitchen equipment to increase the adoption of high efficiency measures such as LED light fixtures and controls, HVAC equipment, heat pump water heaters, and new electric and gas kitchen appliances (ENERGY STAR, where applicable).
Streetlighting	The Municipal-Owned streetlighting channel will incentivize municipal customers to upgrade their streetlight fixtures to LED technology. AIC-Owned streetlights will be incentivized via the Ameren-Owned Streetlights channel and will include both early replacement and replace on failure retrofits.
Business Market Transformation	Ameren will partner with other IL utilities to promote opportunities for market transformation efforts in the Business sector. For example, Ameren will leverage this market transformation approach to target structural changes to the market via participation in the Energy Star Retail Products Platform, Luminaire Level Lighting Controls ("LLLC"), and by promoting the adoption of efficiency performance standards for existing buildings in one or more municipalities in its electric service territory through existing statewide efforts underway.

2. The Income Qualified Initiative

Q. Does the Company propose to allocate any spending on programs for low- and moderate- income customers?

A. Yes. Ameren Illinois proposes an innovative, industry-leading approach with an average annual electric and gas budget of \$30 million per year through the Income Qualified Initiative

dedicated to improving the energy efficiency of single and multi-family homes owned or occupied by low- and moderate-income customers. The Company will contract with vendors and implementers in a manner consistent with the provisions of the law.

Q. Does the law require a minimum level of electric and gas budget be allocated to programs for low-income consumers?

A. Yes. While I am not providing a legal opinion in this docket, it is my understanding that the law requires Ameren Illinois to spend at least \$8.35 million of electric funds per year on low income customers with household incomes at or below 80% of the area median income (“AMI”). It is also my understanding that Ameren shall present a portfolio of Energy Efficiency measures proportionate to the share of total annual gas utility revenues in Illinois from households at or below 150% of the poverty level, with programs targeted to households with incomes at or below 80% of AMI.

Q. How is the proposed Income Qualified Initiative designed to comply with this requirement?

A. Ameren’s Income Qualified Initiative targets both low- and moderate-income qualified customers and low-income communities with a variety of offerings, including a comprehensive home energy assessment followed by efficient equipment and other improvements at little or no cost to the customer, a variety of efficient retail product incentives, and an effort to assist these customers with new and advanced technology incentives like incentives for advanced thermostats, and electric heat pumps. Customer eligibility is determined by household income with low income customers defined as those with household income at or below 200% FPL or below 80% AMI, whichever is least restrictive in terms of customer eligibility. Moderate income customers are defined as those with household income higher than the low income

threshold, greater than both 200% FPL and 80% AMI, up to 300% FPL. In addition, for multifamily properties, customer eligibility is determined using verification guidelines in the EE Policy Manual, Section 4.3. For our Smart Savers and IQ Retail Products channel, all homes in a census tract or defined geographic area would be eligible to participate in these Income Qualified channels if the average household income for the census tract or defined geographic area are within defined income limits.

3. Research, Development and Breakthrough Equipment and Devices

Q. What is the definition of Breakthrough Equipment and Devices (“BED”) that is in the policy manual?

A. The definition of Breakthrough Equipment and Devices is found in EE Policy Manual and means “energy-efficient technologies, Measures, projects, Programs, and/or services that the Program Administrator determines are generally nascent in Illinois or nationally, for which energy savings have not been validated through robust evaluation, measurement and verification (EM&V) efforts, in the Program Administrator service territory, or for which there is substantial uncertainty about their Cost-Effectiveness, performance, and/or Customer acceptance.” I would note the Policy Manual also allows for the terms Research and Development in what is described as BED, and Ameren Illinois has planned for those related activities under the BED framework.

Q. How does Ameren Illinois propose to spend the Research, Development and BED funds?

A. First, Ameren Illinois intends to implement a process that identifies and tests devices, equipment, processes, and services that have energy savings potential. Second, the Company may also continue to invest BED funds in research organizations that support energy efficiency. Organizations such as these provide opportunities to take advantage of research being conducted at a national level, leveraging energy efficiency funding from across the country. These

investments provide a cost efficient approach to monitoring the energy efficiency landscape and identify opportunities when they arise.

Q. Please provide a brief description of these investments that are under consideration?

A. The table below identifies BED projects that AIC is presently considering for analysis and implementation over the 2022 plan period, along with a brief description of each:

Table 5: BED Projects

BED Project	Brief Description
Manufactured Homes Weatherization and Air Sealing Program	This project targets manufactured home parks with direct install and weatherization measures, including air sealing and insulation. The pilot initiative will collaborate with Community Action Agencies and other Income Qualified channels where applicable.
One Stop Shop for Homeless Facilities	This project targets facilities operating as homeless shelters, providing both residential and non-residential measures and incentives to decrease operating costs and increase comfort for these multifamily type facilities.
Smart Home Engagement	This project offers participants both traditional direct install measures and "smart" home devices and equipment. Offerings may be delivered to residents either thru customized kits or via in-home surveys and installation.
Advanced Thermostats with Time of Use	This project targets residential customers that have opted into a time of use rate structure with advanced thermostats offerings. Price signals are transmitted from Ameren to a customers' smart thermostat which automatically adjusts temperatures during high price periods.

Q. Does Ameren Illinois expect to achieve savings from the proposed BED investments during the 2022 Plan?

A. These investments are intended to provide meaningful savings opportunities for Ameren Illinois to invest in the future through pilot programs and efforts targeting new customer segments and markets. The BED investment that is allocated for the Market Development Initiative will contribute to the portfolio by advancing diversity and equity in the energy

efficiency workforce, delivery of programs to communities in need of these services, and expanding the inclusion of local and diverse businesses in the delivery of the energy efficiency programs. The remaining BED investments, if successful will contribute natural gas and electric energy savings to the portfolio. Ameren Illinois is continuing to strive to find ways to achieve significant savings using new technologies and delivery channels, and investing in the future through pilot programs is an important step in accomplishing that goal.

Q. Does Ameren Illinois plan to count BED-related savings towards its achievement of savings goals?

A. Yes. To the extent such savings are verified and reported by the independent evaluator, they would be counted towards achievement of our savings goals.

Q. You identified potential investments that would be analyzed using a little under 50% of the electric BED budget. How does Ameren Illinois intend to spend the other approximately 50% of the electric budget?

A. Ameren Illinois is seeking Commission approval to use the funds remaining to continue to build upon the successes of the Market Development Initiative.

Q. Will you explain the Market Development Initiative?

A. Ameren Illinois began to implement its Market Development Initiative ("MDI") in 2018. The MDI is a targeted effort implemented to identify ways that Ameren Illinois can greatly increase the positive impact that its energy efficiency programs have on communities in central and southern Illinois. The MDI effort intends to target resources for activities that advance objectives beyond energy savings while at the same time advancing opportunities for energy savings in markets and with market actors that have previously been less engaged.

Q. What are the objectives of the Market Development Initiative?

A. The MDI will continue to focus on three core objectives for Program Years (PY) 2022-2025:

- Engage underserved customers and communities: Deliver targeted energy efficiency education and data-driven, neighborhood-based program approaches to serve communities with a critical need to reduce energy usage.
- Build a diverse workforce: Increase the number of local and diverse participants in the energy efficiency workforce and help develop the next generation of clean energy economy jobs.
- Support diverse businesses: Strengthen the partnership and support for local and diverse business enterprises, including a focus on capacity building for community-based organizations and trade allies/EE service providers.

Q. How does Ameren Illinois intend to continue implementing its Market Development Initiative?

A. The average annual budget will be \$3.2 million and the funding will support a variety of program activity, continuing and enhancing Ameren Illinois' efforts to increase the portfolio's positive impact on communities. Ameren Illinois will build upon one of its key MDI strategies which has been to leverage partnerships with community based organizations to allow these organizations to speak as a trusted voice to customers in need that are often their clients. In addition to partnering with community based organizations, the MDI also includes extensive efforts to engage local and diverse job seekers and also local businesses and diverse businesses to introduce them to opportunities in the energy efficiency economy.

568 **Q. Who are the participants of the Low Income Advisory Committee and what**
569 **recommendations have participants provided?**

570 A. The LIAC was formed in response to FEJA where the language states:

571 The electric utilities shall also convene a low-income energy efficiency advisory
572 committee to assist in the design and evaluation of the low-income energy
573 efficiency programs. The committee shall be comprised of the electric utilities
574 subject to the requirements of this Section, the gas utilities subject to the
575 requirements of Section 8-104 of this Act, the utilities low-income energy
576 efficiency implementation contractors, and representatives of community-based
577 organizations.

578 For Ameren Illinois' service territory, the LIAC met routinely during the 2018 Plan period. These
579 meetings have been attended by a wide range of community based organizations that do not
580 traditionally get involved in energy efficiency stakeholder discussions. Generally, these
581 representatives are less familiar with industry terms or academic perspectives but instead are
582 very focused on how energy efficiency can meet resident and business needs and many of them
583 will continue to be key to the success of the 2022 Plan.

584 **Q. Are there specific recommendations that have been received from community-based**
585 **organizations?**

586 A. Yes. A common theme from many participants is for Ameren Illinois to not just deliver
587 energy efficiency programs but to do so in a manner that creates local jobs for diverse candidates
588 and provides economic development for economically-challenged communities that face a
589 variety of challenges and have traditionally been unserved or underserved by energy efficiency
590 programs. Many speakers at the meetings have expressed the importance of engaging the
591 community in the design and delivery of energy efficiency programs so that the programs reflect
592 the needs, as well as the local diversity, of the residents and businesses.

Q. Are there details regarding how these recommendations would be implemented?

A. Yes. The market development initiative described above will directly engage community leaders and stakeholders such as the ones who have participated in the Low Income Advisory Committee. These community-based organizations will play a meaningful role in the initiative by serving as ambassadors to the energy efficiency portfolio within their communities and also in ensuring that the initiative provides valued impacts in their communities. Ameren Illinois will also continue to work with the LIAC members and SAG participants, including those who entered into the Stipulation, to address the recommendations that have been received and to seek feedback and input on a going forward basis.

4. Third Party Program

Q. Please summarize your understanding of Ameren Illinois' obligations with respect to a third-party energy efficiency implementation program.

A. Illinois law requires Ameren Illinois to fund third-party energy efficiency programs in an amount that is no less than \$8.35 million per year and these must be bid in 2021 for programs to be offered during one or more years of the four year plan period. While I am not providing counsel in this matter, I understand that the Act requires Ameren Illinois to conduct the solicitation process and identify the sector, technology or geographical areas for which it is seeking bids. The Act further requires AIC to propose the bidder qualifications, performance measurement process and contract structure which is subject to Commission approval and also requires the Company to retain an independent third-party to score the bids received through the process.

Q. Has Ameren Illinois conducted such an RFP before?

A. Yes. A third party RFP was conducted for the 2018 Plan. Ameren Illinois proposes to use a similar process for the 2022 Plan, which I explain below. Notably, the RFP will further

identify a required cost per KWh, vendor qualifications, performance measurement process, and contract structure, including a performance payment mechanism(s).

Q. How does this third-party energy efficiency implementation program requirement affect the 2022 Plan?

A. Again, while I am not providing counsel in this matter, I understand that the Act requires \$8.35 million per year of the budget for the period of 2022-2025 be bid. Ameren Illinois therefore modeled the funding of at least \$8.35 million in each of the four years of the Plan, while recognizing there is some uncertainty regarding the savings to be associated with the \$8.35 million in the latter three years of the 2022 Plan due to the fluid nature of the third-part energy efficiency implementation program requirement.

Q. What steps has Ameren Illinois taken to mitigate this challenge?

A. In the process of determining the approach to complying with statutory requirements related to solicitation of a potential third-party energy efficiency program, Ameren Illinois developed four key criteria for the inclusion of:

1. Programs/initiatives that are not dependent upon other market engagement strategies/programs and easily stand alone.
2. Programs/initiatives that could benefit from a competitive solicitation to potentially bring innovation and/or pricing reductions.
3. Programs/initiatives that are not intertwined with community-based strategies unless the programs/initiative strategies can stand alone.
4. Programs/initiatives that could attract national firms who will bring some type of expertise or leverage to the Ameren Illinois market for cost effective portfolio solutions.

Q. Relying on the key criteria that were developed, how does Ameren Illinois propose to comply with the Act and conduct the third-party energy efficiency bid for the 2022 Plan?

A. As more fully explained in the 2022 Plan and the Stipulation, which is attached as Appendix J to the Plan, Ameren Illinois proposes that certain measures contained in the following initiatives or channels are the optimal way to meet the key criteria, as well as comply with the Act:

Table 6: Third Party Program Initiatives/Channels

Program/Initiative/Channel
BED – One Stop Shop for Homeless Facilities
Midstream HVAC
Midstream Lighting
Midstream HVAC
Direct Distribution Efficient Products-School Kits
Income Qualified - Community Kits
Income Qualified - Smart Savers
BED - Manufactured Homes Weatherization and Air Sealing Program
BED - Smart Home Engagement

BED - Advanced Thermostats with TOU

The cost of the applicable electric measures associated with these initiatives and delivered via the relevant distribution channels will allow the Company to meet and exceed the annual \$8.35 million annual bid requirement and can operate as part of a stand-alone initiative that does not require significant integration or cause disruption with other key initiatives of the 2022 Plan.

Q. What are the benefits of taking this proposed approach?

A. There are several benefits to getting confirmation from the Commission on this approach and then bidding the program/initiative out in a manner consistent with prior RFPs (using specific bidding criteria, including savings and costs estimates, consistent with how Ameren Illinois assesses other vendors). For example, as with the 2018 third party programs, once Ameren Illinois has confirmation that the Commission has approved this approach, it can expeditiously issue the RFP specifically tailored to finding the best overall vendor, which should have experience implementing the types of program delivery sought, like using a midstream model and an established history of running similar types of programs in other markets.

This approach should produce a focused solicitation process to bring increased success through the aggregated market share with greater influence on market actors such as manufacturers, distributors, and contractors. A competitive solicitation provides opportunity for seeking innovative strategies that can be evaluated under the EM&V protocols approved in this docket.

Q. What sector, technology or geographic area has Ameren Illinois identified for its portfolio of third-party programs?

A. As for the sectors, technology or geographical areas, Ameren Illinois will specifically solicit bids for the programs listed in the table below and will also request a focus on delivering new program concepts for planned initiatives including but not limited to some of those which are currently categorized in the 2022 Plan as breakthrough equipment and devices/R&D (but not the Market Development Initiative).

Table 7: Third Party Program Initiative/Channel Sector, Technology and Geographic Area

Third Party Program Initiative/Channel	Program Sector	Technology Identified	Geographic Area Identified
BED – One Stop Shop for Homeless Facilities	Business & Residential	Comprehensive retrofits including business and residential measures.	Entire service territory
Midstream HVAC	Business	Heat pumps, central air conditioners, boilers, refrigeration	Entire service territory
Midstream Lighting	Business	LED bulbs and fixtures, linear LEDs	Entire service territory
Midstream HVAC	Residential	heat pumps, central air conditioning, gas furnaces, hot water heaters	Entire service territory
Direct Distribution Efficient Products - School Kits	Residential	LEDs, advanced power strips, low flow showerheads, faucet aerators	Entire service territory. Targeted schools will be those in which 30% or more of the students are receiving free or reduced lunch.
Income Qualified - Community Kits	Residential	LEDs, advanced power strips, low flow showerheads, faucet aerators	Entire service territory. Targeting underserved communities with the most in-need customers
Income Qualified-Smart Savers	Residential	Advanced thermostats	Zip codes with higher propensities of IQ customers as identified from census data
	Residential		

BED - Manufactured Homes Weatherization and Air Sealing Program		Air sealing, duct insulation and sealing, pipe insulation, heat pumps, advanced power strips, advanced thermostats, LEDs, low flow showerheads, faucet aerators	Entire service territory. Parks tend to be located around the following population centers: Springfield, Danville, Peoria, Bloomington, Champaign, Decatur, Edwardsville, Belleville, Carbondale, and other larger cities
BED - Smart Home Engagement	Residential	Smart LEDs, smart hub thermostat, smart plug, smart smoke/co detector, pipe insulation, advanced power strips, hotspot and bridge (optional), portable solar charger, faucet aerators, low flow showerhead, door sweep, outlet gaskets	Entire service territory
BED - Advanced Thermostats with TOU	Residential	Advanced thermostats	Entire service territory

Q. What bidder qualifications, performance measurement process and contract structure is Ameren Illinois proposing for its portfolio of third-party programs?

A. Bidder qualifications would be similar to qualifications that applied to vendors bidding in the last third party RFP Process. The performance measurement proposed would include delivery of net kWh savings with high levels of customer service and support, as well as demonstrated commitment to endeavor to utilize local businesses, diverse businesses, and community based organizations for program delivery, when practicable. The contract structure would include a 4-year term, with other commercial terms, beginning January 1, 2022 and ending December 31, 2025 and include pay for performance or time and material compensation.

Q. How will Ameren Illinois retain an independent third party to score the proposals?

A. Ameren Illinois will again hire an independent party to assess the resulting proposals from the RFP.

G. Other Statutory Requirements of Section 8-103B(g) and Section 8-104(f)
Section 8-103B(g)(2) and Section 8-104(f)(2)

Q. Please summarize how the 2022 Plan presents specific proposals to implement new building standards that have been placed into effect.

A. Ameren Illinois will demonstrate adherence to the new building requirements for electric under 8-103B(g)(2) and for gas under 8-104(f)(2) in several ways. AIC plans to provide training and education opportunities about codes and standards to Program Allies and will offer Building Operator Certification (“BOC”) training through a statewide initiative. AIC also plans to continue its involvement with the building codes SAG working group with the other electric and gas Illinois utilities, as well as other existing statewide efforts outlined in Section 3 of the 2022 Plan.

1. Section 8-103B(g)(3) and 8-104(f)(5)

Q. Is the 2022 Plan cost-effective, using the Total Resource Cost test?

A. Yes, Ameren Illinois has screened the proposed measures and programs and the portfolio, as a whole, is cost-effective. As explained in Mr. Cottrell’s testimony, Ameren Illinois’ planned portfolio passes the TRC test. The Act and the EE Policy Manual require an overall cost-effective portfolio of energy efficiency measures using the TRC test.

2. Section 8-103B(g)(4.5)

Q. Please identify the peak demand reduction goals for the 2022 Plan and how the Company proposes to meet them?

A. As set forth in Mr. Abendroth's testimony, the Company’s peak demand reduction goals are 1.72 MW for each year of the 2022 Plan. Consistent with past Commission treatment of this

issue, as well as the Stipulation, the Company will satisfy these demand response goals through the coincident reduction in kilowatts (“kW”) that are achieved concurrently with the reduced energy consumption achieved through implementation of the measures included in the 2022 Plan. This method has been accepted by stakeholders as reflected in the Stipulation and, before that, by the Commission in multiple proceedings, most recently in ICC Docket No. 17-0311.

3. Section 8-103B(g)(5), (g)(8), (9) and Section 8-104(f)(7)

Q. What tariffs does Ameren Illinois propose for approval in this docket?

A. As explained by Mr. Abendroth, the Company will continue the use of the three energy efficiency tariffs in accordance with the provisions of the Act: Rider EE (electric), Rider APM (electric), and Rider GER (gas). Each of these tariffs are currently on file with the Commission and as explained by Mr. Abendroth will continue to be used unchanged.

Q. Are there significant changes to how the costs that comprise these budgets will be recovered from customers?

A. No, the recovery of electric energy efficiency costs through Rider EE and Rider APM, and the recovery of gas energy efficiency costs through Rider GER will continue. Additional details of the cost recovery tariff riders and how they will function are included in the testimony of Mr. Abendroth and Mr. Martin.

4. Section 8-103B(g)(6) and Section 8-104(f)(8)

Q. What does Ameren Illinois propose with respect to the Evaluation, Measurement & Verification (“EM&V”) policy, as well as the tracking of and reporting on the 2022 Plan?

A. Ameren Illinois proposes to continue with the current model used to engage and collaborate with the independent EM&V contractor. As before, the EM&V contractor will assess achievement of net energy savings. This model has worked for the previous plan cycles and has resulted in contractors that are familiar with the Illinois energy efficiency market and

regulatory environment, as well as the Ameren Illinois service territory. Ameren Illinois also intends to adhere to the applicable sections of the EE Policy Manual with respect to evaluation policies, tracking and reporting, as well as the provisions agreed to in the Stipulation regarding the expectations of the independent evaluator's participation in the annual EE formula rate update docket.

H. Other Statutory Requirements

Q. Do you have an understanding of any other requirements that the 2022 Plan must meet under the Act?

A. Yes, there are a variety of subject-specific items that are subject to requirements set forth in the Act. For example, there is a minimum spending requirement on low-income customers, as well as a cap on the amount of funds that can be spent on certain activities like EM&V, research and development and breakthrough equipment and devices.

Q. How does the 2022 Plan address those requirements?

A. In the 2022 Plan, the Company explains each of the ways the Plan meets the requirements of the law through the various sections. Ameren Illinois witnesses Mr. Abendroth addresses topics related to the minimum spend on low-income, while Mr. Cottrell discusses other budget and savings goals requirements.

I. The EE Policy Manual and IL-TRM

Q. You mentioned earlier the application of the EE Policy Manual, how does Ameren Illinois specifically incorporate the EE Policy Manual to the 2022 Plan?

A. As explained above, the EE Policy Manual provides guiding principles for procurement, oversight, evaluation and operation of the electric and gas energy efficiency programs. The principles and policies articulated in the EE Policy Manual were derived from Commission orders, policies and procedures developed by the SAG, as well as best practices from other

energy efficiency Programs delivered throughout the nation. As agreed to and in collaboration with ICC Staff, the electric utilities, gas utilities, the independent evaluators, and other stakeholders who participate in the SAG, updates to the EE Policy Manual were made and completed as Version 2.0 of the EE Policy Manual, some provisions became effective on January 1, 2020 while others will become effective January 1, 2022. This version of the EE Policy Manual sets forth the policy provisions that will apply to the 2022 Plan, including that Ameren Illinois can seek approval for annual adjustable savings goals.

Q. How does Ameren Illinois propose to apply and incorporate the IL-TRM to the 2022 Plan?

A. The purpose of the IL-TRM is to provide a transparent and consistent basis for calculating energy (electric kilowatt-hours (kWh) and natural gas therms) and capacity (electric kilowatts (kW)) savings generated by the State of Illinois' energy efficiency programs. The IL-TRM is a technical document that is filed with the Commission and is intended to fulfill a series of objectives, including:

- Serve as a common reference document for all stakeholders, Program Administrators and the Commission, so as to provide transparency to all parties regarding savings assumptions and calculations and the underlying sources of those assumptions and calculations.
- Support the calculation of the Illinois Total Resource Cost test, as well as other cost-benefit tests in support of program design, evaluation and regulatory compliance, though actual cost-benefit calculations and the calculation of avoided costs are not part of the IL-TRM.
- Identify gaps in robust, primary data for Illinois, that can be addressed via evaluation efforts and/or other targeted end-use studies.

- Provide a process for periodically updating and maintaining records, and preserve a clear record of what deemed parameters are/were in effect at what times to facilitate evaluation and data accuracy reviews.
- Support coincident peak capacity (for electric) savings estimates and calculations for electric utilities in a manner consistent with the methodologies employed by the utility's Regional Transmission Organization, as well as those necessary for statewide Illinois tracking of coincident peak capacity impacts.³

To the extent measures in Ameren Illinois' 2022 Plan are in the IL-TRM version 9.0, IL-TRM Version 9.0 was used to calculate savings. Future IL-TRMs will be used in accordance with the EE Policy Manual Version 2.0 and the Commission's order in this docket to adjust goals approved in this docket for the 2022 Plan.

Q. In past plans, Ameren Illinois has had authorization to adjust its gas and electric savings goals—what is the Company's proposal for adjustable goals for the 2022 Plan?

A. Because the EE Policy Manual allows for the adjustment of gas goals, the Company will apply those consensus provisions set forth in Section 6.3 of Version 2.0 of the EE Policy Manual.

Q. Is Ameren Illinois proposing any adjustments to gas savings goals for the 2022 Plan?

A. In accordance with the EE Policy Manual, Section 6.3, Ameren Illinois is proposing adjustable gas goals with NTG "collars" for the Business Custom initiative and Residential Retail Products channel. The "collars" proposed are plus or minus 10%, except for income

³ See Illinois Statewide Technical Reference Manual Request for Proposals, August 22, 2011, pages 3-4, http://ilsag.org/yahoo_site_admin/assets/docs/TRM_RFP_Final_part_1.230214520.pdf.

qualified measures. Ameren Illinois' proposed gas adjustable goals template is being filed as part of Appendix G, and is further explained by Mr. Cottrell.

V. CONCLUSION

Q. Please summarize your testimony.

A. For the reasons explained above, I recommend that the Commission:

- Approve the 2022 Plan, as reflected in Ameren Exhibit 1.1, which includes:
 - The proposed budgets and modified energy savings goals;
 - The proposed Residential Program, which reflects a significant investment in serving low- and moderate-income communities through its Income Qualified Initiative;
 - The proposed Business Program, which reflects a shift to delivery of HVAC measures through a midstream program model and a strong focus on small business programs;
 - A continued use of the BED budget including an average annual \$3.2 million of the electric BED budget to Ameren Illinois' Market Development Initiative, which will continue efforts and activities aimed at delivering energy efficiency education and projects to unserved or underserved customers and growing a diverse energy efficiency workforce and diverse supplier network in Illinois;
 - Approve the Stipulation, which has been incorporated into the 2022 Plan as Appendix J;
 - Confirm the application and incorporation of the IL-TRM and the EE Policy Manual into the 2022 Plan;
 - Approve Ameren Illinois' proposal for compliance with subsections of the Act related to demand response and third-party energy efficiency programs applicable for implementation beginning January 1, 2022 through December 31, 2025;
 - Approve Ameren Illinois' proposed program Evaluation, Measurement & Verification ("EM&V") as identified in the 2022 Plan; and

831 ○ Approve the continued use of Ameren Illinois' current energy efficiency
832 cost-recovery tariffs on file with the Commission, including Rider EE,
833 Rider APM and Rider GER, and the related process to update inputs to
834 those tariffs, as appropriate.

835 **Q. Does this conclude your direct testimony?**

836 **A. Yes, it does.**

APPENDIX
STATEMENT OF QUALIFICATIONS
KRISTOL W. SIMMS

My name is Kristol Whatley Simms. I am employed by Ameren Illinois Company d/b/a Ameren Illinois as a Director of Energy Efficiency. In this role, I am responsible for the development and implementation of strategy as it relates to overall portfolio management, stakeholder engagement and Illinois Commerce Commission (Commission) dockets, as well as the identification, and development of innovative ways to engage those in the Ameren Illinois service territory and provide meaningful opportunities to save energy. As a part of these responsibilities, I also oversee the Company's Market Development Initiative activities.

I graduated from Lincoln University in 2004 with a Bachelor of Science degree in Criminal Justice, and then from University of Missouri – Columbia in 2007 with a Juris Doctorate. In 2007, I passed the Missouri Bar Examination and was employed as an Attorney for the Metropolitan St. Louis Sewer District for seven years.

I began my employment with Ameren in 2014 as Assistant Corporate Counsel in St. Louis, Missouri, and was admitted to the Illinois Bar in 2015. I was promoted to Corporate Counsel in 2016, where I served as lead counsel for Ameren's Illinois energy efficiency regulatory and policy matters, prepared, filed and defended rate cases, tariff modification actions, reconciliation proceedings, investigatory actions, financings and certificates of public convenience and necessity. I also provided counsel on matters involving: electric and gas general tariff, policy, and rule issues, including the management of requests to promulgate rules before the ICC, Illinois legislative initiatives affecting or with the potential to affect Illinois regulated activities.

In 2018, I was promoted to Director, Energy Efficiency. My duties have consisted of developing and leading the energy and efficiency programs, designing and implementing the Company's new market development initiatives, and working on the Company's approach to serving low and moderate income customers, including procuring professional consulting services, and portfolio management.